

MINUTES
UTAH DEPARTMENT OF ENVIRONMENTAL QUALITY
UTAH WATER QUALITY BOARD MEETING

Cannon Health Building Room 125
288 North 1460 West
Salt Lake City, Utah 84116

August 9, 2002

9:30 a.m.

UTAH WATER QUALITY BOARD MEMBERS PRESENT

Robert G. Adams	Nan Bunker
Ray Child	Neil Kochenour
KC Shaw	Ron Sims
Mayor Thompson	Bill Williams
J. Ann Wechsler	

DIVISION OF WATER QUALITY STAFF MEMBERS PRESENT

Don Ostler, Mary Fugate, Bill Moellmer, Tim Beavers, Ed Macauley, Kiran Bhayani,
John Kennington, JD McDonald

OTHERS PRESENT

<u>Name</u>	<u>Organization Representing</u>
Fred Nelson	Attorney General's Office
Doug Nielsen	Sunrise Engineering
Aden Robinson	Sunrise Engineering
Lloyd Conder	Eureka City Corp
John Alti	Sunrise Engineering
James Briggs	Daggett County
Joe Wahlquist	Daggett County W&S Dist
Brad Rasmussen	Aqua Engineering
Garland Mayne	Timp SSD
Larry Bowen	Bowen Collins & Associates
Curtis Ludvigson	Rural Water Assn
Terral Dunn	Rural Water Assoc of Utah
Brett Nielsen	Whitaker Construction Co.
Z (Joe) Zhao	Sunrise Engineering Inc.
Brian Davis	Nibley City (Sunrise Eng)
Lynn Welker	Nibley City, Mayor
Larry Anhder	Nibley City
Val Koford	SEI (Nibley/Fairview)
Bob Lowe	Dept of Drinking Water

Chairman Shaw called the Board meeting to order at 9:36 a.m. He welcomed those in attendance and invited the members of the audience to introduce themselves.

APPROVAL OF MINUTES OF THE MAY 17, 2002 MEETING

Mr. Shaw noted on page 2 under Daggett County (Action Item), Line 2 the name Shaun Hughes should be spelled "Sean Hughes". Also on page 3, (Action Item) at bottom of page, line 2 capitalization error. "Haven" should be capitalized.

Action Taken: It was moved by Ms. Wechsler, seconded by Mr. Sims and unanimously carried to approve the minutes of the June 21, 2002 meeting with the noted changes.

Results of Special Session – Mr. Ostler gave a report to the Water Quality Board on the legislative special session and its impact on the water quality funding program. The Board is aware of previous discussions that pertain to the funds that are currently available to the Board, primarily the sales tax monies and the repayments from loans that previously have been issued. In the first special session, the legislature decided to utilize \$10 million dollars of the sales tax money which is currently dedicated to water development, including water resource development, drinking water, and water quality loan programs, to help balance the budget during FY03. That funding was removed by taking \$5 million from the Department of Natural Resources and splitting the remaining \$5 million between Division of Water Quality and Division of Drinking Water, resulting in the removal of \$2.5 million of anticipated revenues to the wastewater loan program. The budget problems continued to persist and as the legislature evaluated the FY03 budget, there were discussions of utilizing all of the sales tax money revenues to help balance the state's budget. The amount previously taken from the Water Quality Board of \$2.5 million was 60% of the annual sales tax revenue normally received by the loan program. The Governor's office in the past has stated that they were not comfortable with the sales tax revenue being dedicated to a particular program preferring instead that the funds flow into the general fund where they can be appropriated annually. With the shortage of funding, there became a very real threat of losing the sales tax money entirely. There was an agreement with the legislative leadership and the Governor's office on a bill that would completely remove the sales tax money this year. When it went to the floor, the legislature was not comfortable with the proposal, and the bill did not pass. No additional sales tax money beyond the \$2.5 million was taken from the FY03 budget. A bill was passed, SB5012, which establishes a gubernatorial and legislative task force to study alternative revenue sources for water funding. Throughout this debate several issues have surfaced. One issue is the need to investigate sources of revenue. Others that go beyond this charge will be 1) "What is the state's role in helping build water facilities and water quality facilities and should we be subsidizing those facilities; and 2) should we be helping anyone that could afford to do it any other way, or is it only for those with no other financial options?" The task force will have its first meeting on August 12th. Its members include: the Chairman of the State Water Development Task Force, which is Rep. Dave Ure (House Majority Whip), and Senator Leonard Blackham. The bill authorizes that two additional legislators be appointed by the Governor's office. Senator Mike Demetrich and Rep. Gowans were appointed. Other members of the committee are Bob Morgan, Executive Director of the Department of Natural Resources; Dianne Nielson, Executive Director of the Department of Environmental Quality; and Natalee Gochmour, a member of the Governor's staff. Also named were five additional nonvoting members. The Division of Water Quality will be making a presentation on the wastewater loan program. Dr. Kochenour requested that the board members receive copies of the minutes from those meetings.

Discussion of Drought Impacts and Water Quality: Dr. Moellmer distributed a copy of a Public Health Advisory statement originally released on July 19, 2002 followed by a presentation on the status of the drought in Utah.

LOAN PROGRAM

Financial Assistance Status Report – Mr. Beavers distributed to the Board the "Summary of Assistance Program Funds" and provided an update on the status.

Nibley City (ACTION ITEM) – Mr. Beavers introduced Lynn Welker, Mayor of Nibley City, Larry Anhder, Nibley City Manager and Brian Davis of Sunrise Engineering. Nibley City is requesting an increase of \$1,360,000 to the \$6,104,000 loan previously authorized the city by the Water Quality Board on June 15, 2001, for the construction of a centralized wastewater collection and conveyance system. The request is primarily due to unforeseen groundwater conditions on the project. Mr. Beavers gave a presentation of the obstacles encountered due to the rate that the groundwater recharges itself, which has resulted in a 19% increase in project construction costs. Mayor Welker stated that it was difficult for him to come back to the Water Quality Board to ask for additional funds. Mr. Anhder pointed out that when the city originally came before the WQB, the project had been scaled back by \$600,000 and would have qualified for the grant money at that time. Dr. Kochenour stated he was very uncomfortable with loaning additional funds at this time, due to the financial situation of the state and not knowing where our additional revenue will be coming from in the future. Mr. Child agreed he was not inclined to grant the additional grant money. Mr. Shaw asked if a change order has been negotiated for the \$1.3 million increase. Mr. Beavers explained the difficulty of having a change order in place when it is unknown if they will have funding to support it. Mr. Williams asked who bears the risk of the changes to the baseline, the city or the contractor. Mr. Beavers said the contractor is to notify verbally and in writing if the condition varies drastically and the city will evaluate and determine an equitable adjustment be made. Motion: Nibley is asking for a maximum of \$1.36 million dollars and is committing not to come back to petition the WQB for additional dewatering costs. Any funds not spent will be refunded to the state.

Action Taken: Dr. Kochenour moved that the Board approve a \$1.36 million, 0% interest, 30-year loan subject to the special conditions noted in the feasibility report and a commitment by Nibley City not to return to the WQB for additional dewatering costs. Any loan funds not spent must be refunded to the state. Seconded by Mr. Sims and carried to approval with Ms. Wechsler opposing.

Saratoga Springs, Planning Grant (ACTION ITEM) – Mr. Macauley explained that Saratoga Springs has asked that the board not take action today due to the negative staff recommendation and would like to rework its proposal and perhaps return to the WQB at a future time.

No Action Taken:

Note: Ms. Ann Wechsler asked to be excused from the remainder of the meeting.

Eureka, Planning Grant (ACTION ITEM) – Mr. McDonald introduced Mayor Conder of Eureka City and John Chartier from Sunrise Engineering. Eureka City is requesting a Planning Advance in the amount of \$30,000 for a Wastewater Facility Plan with the City contributing \$3,500. The collection system presently in use was constructed over many years and many old collection lines were installed by various mining companies. The wastewater treatment facility was constructed in 1984 and is approaching its design capacity. The proposed study will provide information to determine the collection system and treatment plant improvement project that may be necessary.

Action Taken: It was moved by Mr. Child, seconded by Mr. Adams and unanimously carried to approve a planning advance of \$30,000 per staff's recommendation, subject to the Special Conditions noted in the feasibility report.

Daggett County Jail (ACTION ITEM) – Mr. Kennington introduced James Briggs, Daggett County Commissioner; Brad Rasmussen of Aqua Engineering; Joe Wahlquist of Daggett County Water and Sewer District; and Bob Lowe, Division of Drinking Water. Previously the Board

approved a \$323,000, 0% interest, 20-year loan for the County to construct a lagoon near the county jail site. Subsequent to that, several sewer line options were explored, which were rejected by the town of Manila. Since the last board meeting staff has explored other alternatives. Due to the inability to reach a mutually agreeable arrangement with Manila Town the county has decided to take care of the immediate wastewater needs at the jail and study regionalization of wastewater services later. The county has decided to expand the existing drainfield for which it has already received a construction permit. The county is not requesting funding assistance to expand the drainfield. The long term regionalization concept the county has in mind will most likely not include cooperation with the town and may involve the construction of a completely separate wastewater system. Mr. Williams questioned keeping the previous loan in place since the project may be taking another direction. Mr. Ostler suggested the loan not be rescinded until it is clear that the lagoon option will not be implemented. Mr. Shaw asked what the county has in mind for treatment of septic tank effluent. Mr. Kennington explained the septic tank effluent will be treated to secondary quality standards and then sent to drainfields. Mr. Ostler stressed that the problem of ponding sewage needs to be rectified before the end of this construction season. Mr. Rasmussen said they do intend to start construction, but the county is also going to experiment with a pilot plant to see if it might help with the treatment and ultimate subsurface disposal of the wastewater. Mr. Wahlquist delivered a letter stating that the Daggett County Water and Sewer District would protest the connection of a jail sewer to the town of Manila's system if it resulted in the dedication of that line to the town of Manila. He prefers a regional plan that would meet the needs of all county/town residents.

RULE CHANGES

R317-10, Onsite Wastewater Systems Rule Change: (ACTION ITEM) Mr. Bhayani, explained the changes to the rule which would delete the requirement that certified designers of these systems also certify that the actual construction is adequate. Local Health Departments and this Division will conduct final inspections to determine adequacy of construction. The Board was asked for approval to take the proposal out for public comment.

Action Taken: It was moved by Mr. Sims, seconded by Dr. Kochenour and unanimously carried to have the rule go out for comment.

NEXT MEETING

The next Water Quality Board meeting will be held on September 23rd in conjunction with the Non Point Source Conference at the Western Park Convention Center in Vernal Utah, Room D at 2 P.M.

K. C. Shaw, Chairman